

## **CLIENT BROCHURE**

**Sawyer & Company, Inc.**

**Form ADV Part 2**

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This brochure provides information about the qualifications and business practices of Sawyer & Company, Inc. If you have any questions about the contents of this brochure, please contact Ben Webber, Executive Vice President and Chief Compliance Officer at (617) 227-7033 and/or at client@sawyer-company.com.

Sawyer & Company, Inc. is registered as an Investment Adviser with the U.S. Securities and Exchange Commission. Additional information about Sawyer & Company, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Sawyer & Company, Inc. is registered with the Securities and Exchange Commission; however that registration does not imply a certain level of skill or training.

This annual update of Sawyer & Company Incorporated's Form ADV Part 2 Brochure filed in April 2020 contains no material changes to report from the annual update filed in April 2019.

Table of Contents

Item 4 – Advisory Business.....	Page 3
Item 5 – Fees and Compensation.....	Page 3
Item 6 – Performance-Based Fees and Side-by-Side Management.....	Page 4
Item 7 – Types of Clients.....	Page 4
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss.....	Page 4
Item 9 – Disciplinary Information.....	Page 6
Item 10 – Other Financial Industry Activities and Affiliations.....	Page 6
Item 11 – Code of Ethics.....	Page 7
Item 12 – Brokerage Practices.....	Page 7
Item 13 – Review of Accounts.....	Page 8
Item 14 – Client Referrals and Other Compensation.....	Page 9
Item 15 – Custody.....	Page 10
Item 16 – Investment Discretion.....	Page 10
Item 17 – Voting Client Securities.....	Page 10
Item 18 – Financial Information.....	Page 10
Item 19 – Requirements for State-Registered Advisors.....	Page 11
Item 20 – Brochure Supplement; Credentials of Sawyer & Co. Advisors.....	Page 11

**Item 4 – Advisory Business:**

Sawyer & Company, Inc. (Sawyer) is an investment counseling firm that provides investment supervisory and trustee services to high net worth individuals, individuals, families, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. The firm was founded in 1986 by William C. Sawyer, II, Ph.D. The owners are William C. Sawyer (51%) and Ben Webber (49%).

For clients' investments Sawyer purchases conventional publicly-traded liquid financial assets. Sawyer purchases: Common Stocks and Preferred Stocks; U.S. Government Obligations; U. S. Treasury Bills, Notes and Bonds; Mutual Funds; Exchange-Traded Funds; Corporate Notes and Bonds; Corporate Convertible Notes and Convertible Bonds; Municipal Notes and Bonds, Certificates of Deposit, and Cash Equivalents.

Sawyer manages \$190,303,599 on a discretionary basis and \$6,852,704 on a non-discretionary basis.

Sawyer most often accepts and maintains full discretion in investing clients' portfolios, but also manages a small number of accounts on a non-discretionary basis. For discretionary relationships, clients may impose, in writing, restrictions on investing in certain securities or types of securities and clients may consult with Sawyer to agree upon, or to disagree upon, investing the clients' funds in a specific financial security suggested for investment at the client's recommendation.

Sawyer does not receive compensation for the purchase and sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Sawyer does not participate in or sponsor any so-called "wrap fee" programs.

**Item 5 – Fees and Compensation:**

In written agreement by the client, Sawyer's advisory fees are charged in advance on a quarterly basis. The fees are calculated on the market value of the assets at the close of the preceding quarter as follows:

0.2375% (0.95% per annum) of the first \$2.5 million of assets under management;  
0.1875% (0.75% per annum) of the next \$2.5 million of assets under management;  
0.15% (0.60% per annum) of the next \$2.0 million of assets under management;  
0.125% (0.50% per annum) of all assets in excess of \$7.0 million.

## **Page 4**

The advisory fee may be paid directly by the client, or the fee may be deducted, with the client's consent, from the client's portfolio.

The advisory fee paid to Sawyer is charged in addition to other charges that clients can incur, including brokerage commissions, annual account maintenance fees, transaction fees, and other charges that can be imposed by third parties, such as wire transfer and electronic fund fees and other fees and taxes on securities transactions.

Fees are negotiable under unusual circumstances.

Assets in clients' portfolios may, from time to time, be invested in so-called "no-load" mutual funds. While Sawyer may charge the client an advisory fee based upon Sawyer's regular advisory fee schedule, for services in which we advise the client upon which so-called "no-load" mutual funds in which to invest, the client must be, and will be, made aware that the client is to pay two management fees: one to Sawyer, and one to the mutual funds' advisers.

Investment advisory agreements will continue until terminated by written notice either by the client or by Sawyer. Sawyer will promptly refund any prepaid unearned fees when an agreement is terminated.

### **Item 6 – Performance-Based Fees and Side-By-Side Management:**

Sawyer does not accept performance-based fees. We do not manage clients' portfolios through the use of hedge funds or other pooled investment vehicles and we do not engage in side-by-side management of client portfolios.

### **Item 7 – Types of Clients:**

Sawyer generally provides investment advice to high net worth individuals, individuals, pension and profit sharing plans, trusts, estates, and corporations, other than banks, thrift institutions, and investment companies. Sawyer does not require a minimum dollar value of assets under management.

### **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss:**

Sawyer's methods of investment analysis are varied and comprehensive. Most important is fundamental analysis of individual financial securities, asset classes, the financial securities markets, and the broader economy. We rely as well to a lesser degree upon charting, technical analysis, and cyclical trends.

The main sources to Sawyer of useful information in our analysis of financial markets and securities, as well as the economy, are:

- discussions with corporate management and analysts;
- financial newspapers, books, and magazines;
- inspection of corporate activities;
- research materials prepared by others;
- corporate rating services;
- timing services;
- annual reports, prospectuses, and filings with the SEC;
- company press releases.

We invest our clients' portfolios with a long-term, five-to-ten year, perspective in mind and with our clients' respective objectives always in mind. For the most part, our clients seek reasonable growth, over time, from their portfolios. With the prospect of growth, our clients understand our counsel to them that in hand with the prospect of growth in the conventional liquid financial markets there must also be a constant, balanced defense against the three risks they face in the financial markets: inflation, decline in income stream, and permanent loss of principal.

Generally, our investment strategy is to be as fully invested in equities (Common Stocks and Convertible Securities), for the long term, as the client is comfortable. We believe that long term, responsibly diverse equity investments offer a greater opportunity for reasonable positive return, in defense against the three risks above-noted, than any other liquid financial asset class. Our strategy involves investments, for the most part in Common Stocks and Convertible Securities, issued by U.S. based companies that are considered to be of high quality; that is, the companies must have long standing records of successful investment return, their management must be prudent, their ongoing fundamental accounting and intrinsic value measurements must be comparatively attractive, and their dividend and income prospects must also be comparatively attractive. We prefer to be invested in U.S. based companies that manufacture, market, and sell their products and services internationally. We strive to provide our clients with a positive and reasonable total return over a long term basis; that is, a total return of underlying principal appreciation plus income.

Investments in financial securities are subject to many and various types of risks that can cause temporary decline in or permanent loss in principal value. Sawyer in no way guarantees performance or results.

Sawyer and its clients appreciate and are aware of the following-noted general risks to securities:

- **Market Risk:** the potential for decline in the value of investments over time due to economic changes that impact large portions of the market;
- **Inflation Risk:** the potential decrease in value and/or purchasing power of an investment due to general upward price movement of goods and services;
- **Interest Rate Risk:** the potential reduction in value of an asset – particularly a bond – resulting from a rise in interest rates;
- **Currency Risk:** the possibility that a business's operations or an investment's value will be affected by changes in exchange rates;
- **Business Risk:** the potential loss in value of a company due to events and conditions associated with a particular industry or the company itself;
- **Liquidity Risk:** the potential difficulty in selling an asset;
- **Non-Diversification Risk:** the potential for loss from too much concentration in a given security or sector;
- **Political Risk:** the potential loss in value of a company due to events and conditions associated with the governments of the regions in which the company is either located or does business.

**Item 9 – Disciplinary Information:**

Neither Sawyer nor any of its management has ever been subject to legal or disciplinary events that may be material to a prospective client's or current client's evaluation of our advisory business or to the integrity of our management.

**Item 10 – Other Financial Industry Activities and Affiliations:**

None of the employees at Sawyer has an affiliation with another company or person associated with the financial industry. Sawyer and its employees do not maintain relationships or arrangements that are material to our business, or to any of our clients, with any dealer or broker of financial securities, or with any person or firm in the financial services industry.

We do not recommend or select other investment advisors for our clients, or receive compensation directly or indirectly from other advisors that would create a material conflict of interest, and we do not maintain other business relationships with advisors that would create a material conflict of interest for our clients.

**Item 11 – Code of Ethics:**

Sawyer has adopted a formal Code of Ethics that applies to all employees. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of illegal, prohibited, or unethical business conduct. A copy of the Code of Ethics is available upon request to Sawyer.

**Item 12 – Brokerage Practices:**

Sawyer does not maintain custody of clients' assets, although it may be deemed to have custody of client assets if clients provide authority to withdraw assets from client accounts (see *Item 15 – Custody* below). The assets are custodied at a "qualified custodian", which may be a brokerage firm or a bank.

The individual firm custodian is chosen by the client. Sawyer generally uses the client's custodian as their broker for trades. Sawyer seeks best execution in selecting custodians and brokers, which means the most favorable terms for a transaction based on all relevant factors. To seek best execution, Sawyer looks for firms that are financially sound, can effect brokerage transactions efficiently, and provide high quality financial research materials. Sawyer also considers the overall direct net economic result to the client, including commissions, which may not be the lowest available.

Sawyer's managed portfolios are mostly custodied at either RBC Wealth Management or TD Ameritrade Institutional, both full service financial securities firms. Sawyer is independently owned and operated and is not affiliated with RBC or TD. The additional products and services that Sawyer may obtain from RBC, TD, and other custodians and brokers we may work with include securities reports and analysis, access to client account data such as duplicate trade confirmations and account statements, market analysis, market data, and industry seminars. Sawyer does not maintain a formal commission-sharing arrangement with brokers, but the firm does benefit from using client brokerage relationships to obtain these additional products and services. In obtaining these additional products and services, our clients may pay higher brokerage commissions than are otherwise obtainable. Any benefit that we derive from these products and services is shared among all of our clients.

All clients have the option of directing trades to the broker of their choice. However, Sawyer does not request or require that clients select a specific broker to execute their trades through. Sawyer informs clients that in directing trades to a broker of their choice they may pay a higher brokerage commission than might otherwise be paid if we had been granted discretion to select the broker and may otherwise not receive best execution. Sawyer also advises clients that we may be unable to block or aggregate their trades with those of our other clients, which may result in higher execution costs than those of blocked trades.

Sawyer sometimes aggregates trade orders, and participating clients receive the average share price for the block. Commissions are not averaged across the block, but rather charged on a per-account basis on the regular commission schedule. In a case where the full amount of the aggregated order is not executed, the partial amount that was executed will be allocated proportionately based on the size of each client's fraction of the unfilled order, subject to rounding to whole share amounts. When trades are aggregated, the individual accounts participating in the purchase or sale and the number of shares each account is purchasing or selling is determined in advance after an individual analysis of that client's portfolio and overall situation – not through a post-trade allocation process. On occasion, Sawyer may not be able to aggregate trades in a given security since client accounts are reviewed on an individual basis, with specific consideration given to individual investment goals, risk tolerance, current cash position, and other factors. In these instances the trade price for a given security will differ among clients trading in the same security, on the same day, or over a period encompassing several days.

The firms that custody client assets, and through which Sawyer directs securities trading of its clients accounts, do not refer potential clients to Sawyer.

### **Item 13 – Review of Accounts:**

Sawyer reports quarterly (every three months) to clients in a formal written correspondence which includes a timely and detailed appraisal of the portfolio, a historical portfolio performance report, and our outlook and concerns relative to the general economy and financial markets. In addition, we maintain relatively continuous contact with our clients, by telephone, electronic mail, and by posted mail.

Portfolios are reviewed on an ongoing basis with respect to current events, market developments, and client needs. Sawyer meets with clients on a regular basis, either in person or over the phone, and additionally whenever the clients so request.



**Item 14 – Client Referrals and Other Compensation:**

Sawyer has one arrangement in which it compensates another person who is not a Sawyer employee for client referrals. It has established a referral agreement with Charles Flather, the owner of investment advisory firm Middlegreen Associates. Mr. Flather is winding down Middlegreen Associates and has agreed to recommend that certain of his clients engage Sawyer for their ongoing investment advisory needs.

Sawyer will pay Charles Flather a percentage of investment management fees paid to Sawyer by former Middlegreen Associates clients and any of their family members that join Sawyer. The percentage paid to Charlie Flather will be determined by the following schedule:

Percentage:	Period of Applicability:
80%	The first year of the client's relationship with Sawyer
70%	The second year of the client's relationship with Sawyer
60%	The third year of the client's relationship with Sawyer
50%	The fourth year of the client's relationship with Sawyer
40%	The fifth year of the client's relationship with Sawyer
30%	The sixth year of the client's relationship with Sawyer
20%	The seventh year of the client's relationship with Sawyer
10%	The eighth year of the client's relationship with Sawyer

Sawyer also has an arrangement with Charles Flather under which Sawyer will pay him a percentage of investment management fees paid to Sawyer by new, non-Middlegreen Associates clients referred to Sawyer by Charles Flather.

The percentage of investment management fees paid by Sawyer to Charles Flather from new, non-Middlegreen clients that Charles Flather refers to Sawyer are determined by the following schedule:

Percentage:	Period of Applicability:
25%	The first year of the client's relationship with Sawyer
20%	The second year of the client's relationship with Sawyer
15%	The third year of the client's relationship with Sawyer
5%	The fourth year of the client's relationship with Sawyer

**Item 15 – Custody:**

Sawyer does not accept custody of client funds or securities. However, clients may authorize Sawyer to direct the withdrawal of their funds or securities. For clients that have given such authorization, Sawyer is deemed to be “have custody” as such term is defined in the Investment Advisers Act. Sawyer does not hold client funds or securities, but rather relies on a qualified custodian to do so.

A qualified custodian sends monthly, and/or more frequently, account statements directly to Sawyer’s clients. Sawyer recommends that its clients compare their custodian statements to the respectively-dated quarterly statements of portfolio assets prepared by Sawyer.

**Item 16 – Investment Discretion:**

Sawyer most often accepts and maintains full discretion in investing clients’ portfolios, but also manages a small number of accounts on a non-discretionary basis. For discretionary relationships, clients may impose, in writing, restrictions on investing in certain securities or types of securities and clients may consult with Sawyer to agree upon, or to disagree upon, investing the clients’ funds in a specific financial security suggested for investment at the client’s recommendation.

**Item 17 – Voting Client Securities:**

Sawyer does not have and it will not accept authority to vote client securities.

Clients receive proxies and other solicitations by posted mail (or by email/electronic mail, if the client chooses) at their legal address of record, which is on file with the custodian where their securities are held.

**Item 18 – Financial Information:**

Sawyer does not solicit or require prepayment of fees six or more months in advance. Sawyer and its respective employees have never been the subject of a bankruptcy petition.

**Item 19 – Requirements for State-Registered Advisors:**

This item is not applicable to Sawyer because the company is registered with the Securities and Exchange Commission.

**Item 20 – Brochure Supplement; Credentials of Sawyer & Company, Inc. Individual Advisors:**

Following are the qualifications and credentials of the three people who offer investment advice to Sawyer's clients: William C. Sawyer, II, Michael A. Foley, and Ben Webber.

**William C. Sawyer, II, Ph.D. (Born 1944)**

Dr. Sawyer is President of Sawyer & Company, Inc. and has been a portfolio advisor at Sawyer since 1986. Dr. Sawyer received a B.A. degree from Williams College in 1966, an MBA degree from Wharton School of Finance and Commerce in 1968, a Ph.D. degree with a major in finance from New York University in 1983, and an M.A. degree with a major in Spirituality and Ministry from Boston College in 1999.

**Michael A. Foley, J. D. (Born 1949)**

Mr. Foley is Senior Vice President of Sawyer & Company, Inc. and has been a portfolio advisor at Sawyer since 1986. Mr. Foley received a B.A. degree from Williams College in 1971 and a law degree (J.D.) from Vermont Law School in 1977.

**Ben Webber, CFA (Born 1982)**

Mr. Webber is an Executive Vice President of Sawyer & Company, Inc. and has been a portfolio advisor at Sawyer since 2013. Mr. Webber received a B.S. degree from Boston College in 2005, a CFA charter in 2012 (explained in further detail below), and an MBA with honors from the Boston University Questrom School of Management in 2015.

**RE: Disciplinary Information:**

None of the three (3) above-referenced people has ever been subject to any legal or disciplinary event that is material.

**RE: Other Business Activity:**

Outside of small, part-time activities such as generating rental income that are not required to be reported here, none of the three (3) above-referenced people participates in any other business activity than as advisors at Sawyer; and none, as well, receives any compensation, or bonus, or non-cash compensation, based upon the sales of securities or other investment products.

RE: Additional Compensation:

None of the three (3) above-referenced people has entered into an arrangement with any person, corporation, or entity to receive an economic benefit, such as a sales award or other prize, for providing advisory services.

RE: Supervision

Each of the three (3) above-referenced people is the supervisor of the other two.

### **Chartered Financial Analyst (CFA) Designation**

CFA is a globally respected, graduate-level investment credential established in 1962 and awarded by the CFA Institute – the largest global association of investment professionals.

To earn the CFA charter, candidates must pass three sequential, six-hour examinations, have at least four years of qualified professional investment experience, join the CFA Institute as members, and commit to abide by and annually reaffirm their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Passing the three CFA exams is difficult and requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision-making in the global financial industry.

### **High Ethical Standards**

The CFA Institute's Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interest ahead of their own;
- Maintain independence and objectivity;
- Act with integrity;
- Maintain and improve their professional competence; and
- Disclose conflicts of interest

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision-making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA program test a candidate's proficiency in a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The curriculum is updated every year by experts in the financial industry.